

STEPHANIE M. HINDS (CABN 154284)
 United States Attorney
 MICHELLE LO (NYRN 4325163)
 Chief, Civil Division
 SAVITH IYENGAR (CABN 268342)
 Assistant United States Attorney

450 Golden Gate Avenue, Box 36055
 San Francisco, California 94102-3495
 Telephone: (415) 436-7200
 Fax: (415) 436-6748
 savith.iyengar@usdoj.gov

Attorneys for the United States of America

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND DIVISION

UNITED STATES OF AMERICA,)	CASE NO. 4:19-cv-04281 KAW
)	
Plaintiff,)	STATUS REPORT
)	
v.)	
)	
BTC-e, a/k/a CANTON BUSINESS CORP.,)	
)	
and)	
)	
ALEXANDER VINNIK,)	
)	
Defendants.)	

Plaintiff United States of America (“United States”) respectfully submits this status report pursuant to the Court’s Status Report Order dated September 13, 2022, which ordered the United States to “file a motion for default judgment or, in the alternative, a status report explaining when the Government expects to file such a motion and the reason for the delay” by October 14, 2022. ECF No. 36.

As the United States reported to the Court on April 19, 2022, the United States completed service abroad on defendants Alexander Vinnik (“Vinnik”) and BTC-e (“BTC-e”) on November 18, 2021 and filed proofs of service with this Court certifying that service had been completed on Vinnik and BTC-e under the Hague Service Convention by having all required documents personally handed directly to Vinnik in France. *See* ECF Nos. 29, 29-1, 29-2, 29-3.

Following Vinnik's and BTC-e's failure to appear or otherwise respond to the complaint, on July 18, 2022, the United States requested that the Clerk of Court enter default against Vinnik and BTC-e. ECF No. 32. On July 19, 2022, the Clerk of Court entered default against Vinnik and BTC-e. *See* Dkt. Nos. 34, 35.

Since that date, on August 4, 2022, Vinnik was extradited to the United States. Accordingly, in an abundance of caution, the United States re-served Vinnik and BTC-e on October 5, 2022 by having two true and correct copies of each document previously served on Vinnik and BTC-e under the Hague Service Convention, ECF No. 24, listed below, again personally served on Vinnik at the Santa Rita Jail in Dublin, California:

1. Complaint (ECF No. 1);
2. Civil Cover Sheet (ECF No. 1-1);
3. Summonses Issued as to BTC-e, a/k/a Canton Business Corp., and Alexander Vinnik (ECF No. 5);
4. Clerk's Notice Regarding Assignment to United States Magistrate Judge Kandis A. Westmore and Election Form (ECF No. 6);
5. Standing Order for Magistrate Judge Kandis A. Westmore, Settlement Conference Standing Order for Magistrate Judge Kandis A. Westmore, Notice Re: Telephonic Appearance Procedures for Magistrate Judge Kandis A. Westmore and Attachment A, and U.S. Magistrate Judge Kandis A. Westmore Sample of Trial Exhibit Tags;
6. Standing Order for All Judges of the Northern District of California;
7. ECF Registration Information;
8. Notice of Lawsuit and Request to Waiver Service of Summons;
9. Waiver of the Service of Summons; and
10. Notice of Assignment of Case to United States Magistrate Judge for Trial and Election Form

The United States also personally served on Vinnik and BTC-e two true and correct copies of the following additional documents:

11. Certificate of Transmission to the French Central Authority for Service under the Hague Service Convention (ECF No. 24)
12. Status Report and Proposed Order and Exhibits A–C (Reflecting Proof of Service by French Central Authority on Vinnik in France) (ECF Nos 29, 29-1, 29-2, 29-3)
13. United States' Request to Enter Default of Vinnik and Declaration (ECF Nos. 32, 32-1)

1 14. United States' Request to Enter Default of BTC-e and Declaration (ECF Nos. 33, 33-1)

2 15. Copy of Docket (Reflecting Clerk of Court's Entry of Default), Dated October 3, 2022

3 16. Status Report Order (ECF No. 36)

4 Attached to this status report as **Exhibit A** and **Exhibit B** are true and correct copies of the United
5 States' proofs of service on Vinnik and BTC-e, respectively.

6 On October 6, 2022, following the United States' completion of service on October 5, 2022, the
7 undersigned counsel emailed courtesy copies of all of the above-referenced documents and proofs of
8 service to Assistant Federal Public Defender David Rizk, who is representing Vinnik in the criminal
9 matter *United States v. BTC-e and Alexander Vinnik*, Case No. 3:16-cr-00227-SI. In that case, Vinnik is
10 charged with one count of operation of an unlicensed money service business, in violation of 18 U.S.C.
11 § 1960; one count of conspiracy to commit money laundering, in violation of 18 U.S.C. § 1956(h);
12 seventeen counts of money laundering, in violation of 18 U.S.C. § 1956(a)(1); and two counts of
13 engaging in unlawful monetary transactions, in violation of 18 U.S.C. § 1957. Mr. Rizk advised that he
14 had sent a letter to the Court that conveyed that Vinnik had received the above-referenced documents
15 and was requesting that this civil action be delayed until his criminal case is resolved. *See* ECF No. 37.

16 The United States is amenable to a stay of this civil action while active criminal proceedings
17 against Vinnik are ongoing. The United States reserves the right to move this Court for default
18 judgment against Vinnik and BTC-e if, following the lifting of any stay of this action, they once again
19 fail to answer or otherwise respond to the complaint within twenty-one (21) days of the date they were
20 re-served with the summons, complaint, and other above-referenced documents (October 5, 2022), not
21 including the period of time the action is stayed. *See* Fed. R. Civ. P. 12(a)(1)(A)(i). Should the Court
22 require further status updates, the United States shall provide such updates as ordered by the Court.

23
24 Respectfully submitted,

25 STEPHANIE M. HINDS
26 United States Attorney

27 Dated: October 14, 2022

28 By: /s/ Savith Iyengar
SAVITH IYENGAR
Assistant United States Attorney